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Catechism on the Money Question.

THE CAUSE, REMEDY AND PREVENTION

OF

MONEY PANICS.

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HOW TO REMEDY AND PREVENT MONEY PANICS AND COMMERCIAL CRASHES.

HOW TO RESTORE SPECIE TO AND KEEP IT PERPETUALLY IN CIRCULATION.

HOW TO DISPENSE WITH PROMISSORY NOTES AS A CIRCULATING MEDIUM.

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By Wm. Brindle.

Q. By what authority is money made?
A. Money is made by a law of Congress, which makes any convenient material or commodity a legal-tender for public and private debts.

Q. How is the value of money regulated?
A. All legal-tenders are made par or equal to each other in value, by making them perform the same functions; and in this way only can the value of money be regulated, by law.

Q. What is a dollar?
A. A dollar is the unit of Federal money, or of the decimal system of money, adopted by Congress in 1785, upon the report of Jefferson, in place of the British system of pounds, shillings and pence.

Q. As the term dollar does not convey any idea of quantity, by what means do we calculate the value of a Bond, Treasury Note and Coin Dollar?
A. The value of all dollars are calculated *by a unit of value;* established by law.

Q. How is a unit of value made?
A. A unit of value is made by taking the market value of grains of silver or gold. For instance, if an ounce troy (480 grains) of silver, is worth 120 cents, 400 grains will be worth one hundred cents, or a dollar.

Q. As grains of silver and gold differ in value in the market, how are the two metals made equal legal-tenders?
A. By ascertaining their market value, and by striking *a ratio,* or the relative difference in value between them; which gives a certain number of grains of silver, and of gold to each piece, *denominated* a dollar.

Q. What was the original mode of tendering metallic money?
A. The *proper* and *original* mode of tendering a commodity—as money—was by *weight,* at its *market value.*

Q. Why are frequent changes in a Unit of value and Coinage Acts made necessary?
A. By attempting to fix by law, the price of a commodity in the market—the value of which is regulated by the law of *supply* and *demand*—makes frequent changes necessary.

Q. Why is the value of grains of silver and of gold more steady in the market than any other commodity?
A. Because the demand for grains of silver and gold—as money—increases as rapidly as the supply, they maintain the same relative value for a greater length of time than any other commodities.

Q. What gives to grains of silver and gold their chief value?
A. The chief value of the precious metals is derived from their use as money, or legal-tenders.

Q. Is it possible to have a double unit of value?
A. A double unit of value is not possible, nor is it necessary; making gold and silver *equal* legal-tenders, does not make them *a double* unit of value or as is sometimes improperly called, "a double standard of value," they are merely made equal legal-tenders.

Q. Is it possible to make an unchangeable unit of value, by which to calculate the value of dollars?
A. By establishing an ounce of pure or unalloyed silver as the unit of value, and making grains of the precious metals legal-tenders at their market value, no change would ever be necessary in a Unit of value or Coinage Act; and all would soon learn how to calculate the value of a hundred cents or of a dollar.

Q. Can it be shown that full legal-tender U. S. Treasury Notes, will always be par or of equal value with full legal-tender coin?
A. The U. S. Treasury Notes made equal legal-tenders with gold coin, on March 17, 1862, bear an equal premium with gold coin, and have done so from the day they were made equal legal-tenders.

Q. Are legal-tender U. S. Treasury Notes, not redeemable in any other circulating medium but convertible into bonds, Constitutional money?
A. Legal-tender U. S. Treasury Notes not redeemable in any other circulating medium, but convertible into Government securities, were first issued in 1812, by the advice of Jefferson, and at the May Term of the U. S. Supreme Court, in 1819, they were decided to be Constitutional money, *in peace or war.* Judge Story delivered the opinion of the Court.

Q. What constitutes a "Bill of Credit"?
A. A "Bill of Credit" is a note specially authorized by law, "to pass as a circulating medium, promising payment in legal-tender money on demand." Bank notes are "Bills of Credit,"

Q. What is the chief point of difference between full legal-tender money and a "Bill of Credit"?
A. A full legal-tender is both money and currency, whereas the promissory note of a Bank is mere currency. A "Bill of Credit" must depend for its value on the prompt performance of the promise to redeem it on demand in legal-tender money.

Q. What is money?
A. Money is a medium of exchange, properly called "a tool of trade." It is not wealth, nor the representative of wealth, but it is purely and simply a representative *of value*, and therefore does not require redemption.

Q. Does the money of one country pass as money in any other country?
A. There is no such thing as the money of any Government passing as such in any other country, unless by a special law in that country. Metallic money in passing from one Government to another is generally thrown into the scales weighed and treated as bullion or a commodity. Full legal-tender paper money passes from one Government to another as a Bill of Exchange: which is the money of the Commercial World. Gold and silver must purchase Bills of Exchange, or be transported at much expense.

Q. Will full legal tender U. S. notes command a premium over coin or bullion in Foreign Governments?
A. Legal Tender U. S. Treasury Notes *receivable for duties on imports,* I

have sold abroad, under the Polk Administration, at a premium over gold; because they could be used here to pay Custom House duties, they were used abroad as Bills of Exchange. At home and abroad they are more convenient and more useful, than coin.

Q. Would it be good policy to dispense with the use of gold and silver—as money?

A. Gold and silver being products of this country, and convenient metals to use as money, because of their peculiar specific gravity, and as their value is enhanced by using them as money it would not be wise to demonetize them; moreover, their *money value* must be retained, to give us *a commodity* of steady value in the market, from which we can make a unit of value, for our money of account and contract—the dollar.

Q. Can a full legal-tender dollar ever become depreciated?

A. A full legal-tender dollar, *never can fall below the unit of value*, by which its value is calculated. The *material* of which *a dollar* is made is purely a matter of *convenience*, as its value is calculated, by a unit of value, and all full legal-tenders will always be equal, because they perform the same functions.

Q. Can we have an expansion of full legal-tender money without inflating values?

A. Full legal-tenders represent the exact value of a dollar or of one hundred cents, and therefore they establish *real values*. The basis of legal-tender money, is the same as the Federal Bond, and as the volume of legal-tender notes, never can equal, much less exceed their basis, and do not require *redemption* in any other circulating medium, no amount of expansion of legal-tenders can ever make them an inflated or a fictitious money or currency.

Q. What kind of currency is both inflated and fictitious?

A. The volume of Bank Currency always exceeds its pretended basis of redemption, and is therefore always an inflated currency: and as it very frequently and in fact most generally, has no basis of redemption, it is a *fictitious* as well as an *inflated* currency.

Q. How do Bank notes inflate values?

A. The Gold Banks, so called, *under the National Bank Act*, are allowed to issue *four* dollars of paper on *one* dollar of gold; therefore, each piece of paper *denominated* a dollar, *is at best*, worth *only twenty-five* cents, which to that extent increases the cost of commodities, and the cost of living, which decreases the net profits of labor.

Q. When are Bank notes fictitious or a fraud on the public?

A. When Bankers lock their doors, snap their fingers in the face of the people, and tell them they have suspended payment of their promises, as they did lately in California, they are fictitious.

Q. How and when can specie be restored to circulation?

A. Specie can be *instantly* restored to, and kept *perpetually* in *circulation*, by making silver and U. S. Treasury Notes full or equal legal-tenders with gold, and by substituting them for Bank currency, and by prohibiting Banks of issue.

Q. How can the Federal Bonds be paid off, and over one hundred millions of dollars of taxation be avoided annually?

A By making coin and U. S. notes equal legal-tenders, the *overdue* or redeemable 5-20 and 10-40 Bonds may be paid off, and those not payable may be purchased in open market, with coin and its equivalent.

Q. May an income-tax be laid on Bondholders by Congress, and the internal revenue tax be taken off of manufacturers and laborers?

A. Congress may lay an income tax on Bondholders and repeal the internal revenue tax on the labor and industry of the country.

Q. May Congress give Bondholders their option to pay an income tax or take par money for the Bonds not redeemable or payable?

A Congress may force the Bonds having *ten, fifteen* and *thirty* years to run, into the Treasury for payment, or compel the holders of them to pay an income tax, to be deducted from the coupon and registered bonds as they are presented for payment of interest. This will stop the clipping of coupons, and make Bondholders take their money and put it to use, in order to get increase on it; which will aid instead of burthening the labor and industries of the country.

Q. What amount of legal-tender money and circulating medium was in use in 1865?

A. Over two thousand millions of dollars were in circulation in the adhering States in 1865. The eleven seceded States were without a Greenback circulating medium in 1865-'66. This gave about Seventy dollars *per capita*, in the adhering States.

Q What became of the circulating medium in use in 1865?

A. The Contraction Act of April 12, 1866, and the Act of 1868, authorized all but the Greenbacks and Coin to be taken in, bonded, and then destroyed; leaving the country in 1873, with nearly Thirteen hundred millions of dollars less circulating medium than in 1865.

Q. What is the uniform and periodical cause of money panics and commercial crashes?

A A contraction of circulating medium, forces on the business community, the credit system of business—"As cash is withdrawn, credit is substituted"—and "when credit is inflated to its utmost limit or the bursting point" a money panic ensues and business men are pecuniarily ruined, in consequence of special and unjust legislation; and the dealers in currency and credit who conspired to ruin business men, together with a mercenary and subsidized press denounce business men, who presume to demand an expansion of par money.

Q. What is the only relief from the effects of contraction?

A. Expansion or more circulating medium is the only remedy to relieve the people from the effects of contraction.

Q. Cannot the National Banks put out more currency, and thus relieve the business men?

A. National Bank notes are mere promises to pay on demand in legal-tender money; Bankers cannot redeem their promises now out, in Greenbacks, much less in coin; therefore. their policy is more contraction—instead of expansion. The day has passed by when the business of this country can be carried on with Bank notes or a redeemable currency.

Q. How much par money is necessary to revive the industries and place business on a cash basis?

A. In 1865, seventy dollars *per capita*, did not quite place business on a cash basis, therefore seventy-five dollars *per capita*, in 1877, or three thousand millions of dollars of par money, is necessary to place business on a cash basis, which will make business men independent of dealers in money and credit.

Q. What effect would the cash system of business have on labor and banking?

A. It would add to the net profits of labor by cheapening the cost of doing business and would obviate the necessity of note-shavers and radically change the present costly system of banking: and forever prevent money panics and commercial crashes and make business men independent of note-shavers.

Q. With par money enough to place business on a cash basis, and no special privileges granted to capitalists, could any difficulty arise between business capital and labor?

A The capital, *which employs labor*, and the interests of the laborer are identical. All jealousies and difficulties between business, capitalists and laborers, are occasioned by special laws protecting capital at the expense of labor. Let all laws be just and equal, with plenty of par money, and an economical administration of Governments, "that labor may be lightly burdened," the laborer will be contented, and the country will be prosperous.

Q. How can the interest on money be decreased?

A. By putting enough par money in circulation. By paying off the Federal debt, it will make more lenders, than borrowers of money, which will lower the rate of interest on money; as it is regulated by supply and demand.

Q. How can the cost of productions be cheapened without imposing unjust wages on labor?

A. By lowering the rate of interest on capital which employs labor, the cost of productions will be lowered, without imposing unjust wages on the laborer.

Q. Can American Manufacturers be enabled to compete with the European, without a protective tariff, or without taxing consumers to effect it?

A, When the interest on the capital of American Manufacturers, is reduced to three or four per cent. per annum, the average rate of interest on money in Europe, they will be enabled to produce as cheaply as the European manufacturer, without imposing unjust wages on the American operatives, who are capable of operating more skilfully, and performing more work in the same number of hours than European operatives, which will make this country a market to which the world will come to buy, and thus obviate any necessity of a protective tariff, or tax on consumers; to protect American industry.

Q. What is a Bank of Issue?

A. A Bank of Issue is a corporation specially authorized by law, to issue promissory notes as a circulating medium, which not being legal-tenders for private debts, require payment on demand in legal-tender money. The Banker loans his notes at interest, in advance, to private individuals, in exchange for their promissory notes payable at some future time, stated. This enables the Banker to draw interest on his debts, which other people are compelled to pay on their notes and debts.

Q. How many rates of interest do the people pay to Bondholders and National Bankers on the dollar?

A. The Federal Bondholder and Banker draws three rates of interest on his bond-dollar, as follows. First, the interest on the Bond in coin; Second, an exemption from State and Municipal taxation; and Third, ninety per cent. of the face value of the bond is given him under the National Bank and resumption acts in currency, *to loan to others or to purchase more Bonds with;* which give to all Bondholders three rates of interest on the bond-dollar; which enables them to double their Bonds in from three to five years.

Q. As twenty-five and four-fifths grains of alloyed gold were made the unit of value in 1873, why do gold dollars and full legal-tender Treasury note dollars command a premium?

A. They command a premium because the *demand* for full legal-tenders, exceeds the *supply*. The value of all dollars by law, is twenty-five and four-fifths grains of alloyed gold, except the bond-dollar, of bonds issued under the refunding act of 1870, their value is 371¼ grains of unalloyed silver—by special contract, which must be "*faithfully kept.*"

Q. What made the unit of value previous to 1873?

A. From 1785 to 1873, grains of silver were used as the unit of value. From 1792 to 1873, the unit of value consisted of 371¼ grains of fine silver. From 1792 to 1834, the alloyed weight of a silver dollar, was 416 grains. In 1873, Congress authorized "a trade dollar," of 420 grains of alloyed silver, which it demonetized in 1876, together with the old silver dollar. From 1834 to 1876, the alloyed weight of the old silver dollar was 412½ grains. In 1837, Congress made 23¼ grains of pure gold the equivalent of 371¼ grains of pure silver. Silver coinage was made 10 ounces and 16 pennyweights fine, and gold 21.60 carats. The alloyed weight of the silver dollar was 412½ grains, and the eagle or ten dollar gold piece 258 grains of alloyed gold or 232¼ grains of pure gold. From 1792 to February 1853, silver and gold *were equal legal-tenders for an unlimited amount;* and all fractional coins were of full weight and purity.

Q. Were the 5-20 bonds by the original contracts, payable in Greenbacks?

A, The principal of the 5-20 bonds was made payable in Greenbacks, and the interest thereon payable *in coin.*

Q. When was the contract to pay the 5-20 bonds in Greenbacks changed?

A. The Refunding Act of 1870, and its supplements changed the contract from Greenbacks, to coin dollars, of the then "standard [unit] of value" which was a silver dollar of 371¼ grains of pure silver or 412½ grains of alloyed silver.

Q. The 5-20 bonds as they became redeemable in five years from the time of issue, could they have been paid in Greenbacks par with gold coin?

A. Had Congress made Greenbacks equal legal-tenders with gold coin, they would have been of equal value, and the 5-20 bonds could have been paid off at the expiration of five years, from the date of issue, in the equivalent of gold coin and with gold.

Q. Had the 5-20 bonds been paid off as they became redeemable, would that have interfered with the National Bank system of currency?

A. The payment of the 5.20 bonds in Greenbacks, would have substituted them for National Bank currency, which would have interfered with the National Banks.

Q. Was not the object of making the bonds payable in coin, and of demonetizing silver dollars, to make the bonds payable principal and interest in gold coin only?

A. The object and effect of demonetizing silver dollars, is to make the bonds payable in gold dollars only: in order to prevent their payment at any time.

Q. Has not the perpetuation of the Federal debt, to perpetuate the National Bank system of currency. cost the people hundreds of millions of dollars of useless taxation?

A. The non-payment in par money of the Federal debt, as it became redeemable at the expiration of five years from the date of issue, has cost

the people, *thousands* of millions of dollars—from the payment of useless taxation, and from losses occasioned by the stagnation of the industries, for want of sufficient legal-tender money, to carry them on actively.

Q. Is the perpetuation of the Federal debt a blessing to the people, or a wise system of financial management?

A. The perpetuation of the Federal Bond, *is a blessing*, to the Bond-holder and Banker, who is enabled to draw three rates of interest on each bond-dollar, which *labor must pay*, and is therefore *a curse* to and *a swindle upon* the wealth producing people, who in justice to themselves should vote to change the monetary and financial systems which have robbed them, to enrich *the few* at the expense of *the many*, for which purpose it was *cunningly designed*.

Q. How do gold and silver compare in volume or quantity?

A. Silver and gold bullion are about equal in amount. By using silver for legal-tender purposes or as money, it would increase the volume of metallic money about one hundred per cent.

Q. Is not silver money quite as useful as gold?

A. As silver can be tendered in pieces or coins of lower denominations or value than pieces or coins of gold; silver is more useful and more popular with the mass of the people than gold; because the people seldom desire to retain, *in reserve*, more than five dollars of metallic money at one time.

Q. Could not both gold and silver be issued in bars and ingots, as well as in coins or small pieces, with the grains of pure gold and silver stamped on the one side and the grains of alloy on the other; and would not this make large payments of metallic money more convenient?

A. Issuing pieces, and bars or ingots from the Mint, assayed and stamped, of convenient size and tendering grains of pure gold and silver, *at their market value*. would obviate every reasonable objection that has been made to the inconvenience of freely using metallic money, in large payments.

Q. Would it unjustly effect a unit of value, by making grains of gold and silver, legal-tenders, *at their market value?*

A. A unit of value is arrived at, only by ascertaining the market value of grains of gold and silver, and when they are made equal legal-tenders, the market value of each must be ascertained in order to establish a ratio between them; therefore, tendering grains of gold and silver at their market value, would always give us the exact value of a bond, treasury note or metal dollar; and avoid any necessity of establishing by law, the relative difference in value between grains of gold and silver.

Q. What effect has improper ratios had on the circulation of gold and silver coins?

A. From 1792 to 1834, the ratio was fifteen ounces of silver to one ounce of gold. This drove gold to European markets from 1792 to 1834, as the ratio there was about 15½ to one. In 1834-'37, the ratio was fixed by Congress at 16 to 1 nearly, which caused gold to return to this country, and it drove silver to Europe, as about 15½ ounces of silver were there taken as the equivalent of an ounce of gold.

Q. As the value of Bond, Treasury Note and Metal dollars are all ascertained or calculated by the same unit of value, how are they differently effected by a legal tender Act?

A. Bond, Treasury Note and Metal Dollars, *by the unit of value*. are equal to each other in value. When the treasury note and metal dollars

are made equal legal-tenders, they perform the same functions—as money—and therefore they are and must remain equal to each other; *neither can fall below the unit of value*; but a bond dollar, not being a legal-tender, and being merely a promise to pay in legal-tender money, *at a fixed date*, may depreciate in value, *from a failure, to promptly perform the promise*; that is to say, the bond depends for its value on the prompt performance of a promise, whilst the treasury note and metal dollars derive their par value from the fact of their being equal legal-tenders.

Q. The Supreme Court in 1819, decided legal-tender U. S. Treasury notes, not redeemable in any other circulating medium to be Constitutional Money in peace or war; did the Court have any direct Constitutional authority for such a decision?

A. In the Constitutional Convention of 1787, the power to issue "Public Bills," not redeemable, or made "Bills of Credit," was delegated to Congress, as included in the power to borrow money and make a legal-tender Act; the power to coin money and regulate the value thereof, was delegated to Congress by the States, and the power to make anything but coin a tender *by the States* was prohibited; the States also prohibited each other from "emitting" a "Bill of Credit." As the value of money can only be regulated by a legal-tender Act, this great power and duty was delegated to Congress, and the Court had direct authority for its decision. The States may make gold and silver *coin* a legal-tender; *if Congress fails or refuses to do so.* The States cannot coin money, but they can make the gold and silver coins of any country legal-tenders, giving them such values as they see proper.

Q. What was Daniel Webster's opinion on the power of Congress to make and regulate the value of money?

A. Daniel Webster in a celebrated Court case, said: "The whole control over the standard [unit] of *value*. and medium [legal-tender] of *payments*, is vested in the General Government." True, he admitted the power of Congress to authorize a National Bank to emit a "Bill of Credit," *a legal-tender for debts due the public*: which is both unnecessary, costly, and a usurpation of a power not even delegated to Congress.

Q. What opinion did Henry Clay express in 1811, in opposition to a U. S. Bank or National Bank Currency, and the dangerous power it gave to a special class?

A. Mr. Clay in addressing himself to the advocates of National Bank Currency, in 1811, on the floor of Congress said: "Do they forget, that we are not in Westminster Hall? * * May not the time arrive when the concentration of such a vast portion of the circulating medium of the country in the hands of any corporation will be dangerous to the liberties of our country?"

Q. What opinion did Andrew Jackson express in his message of 1829, to Congress, in opposition to the U. S. Bank?

A. General Jackson in 1829, in opposition to the U. S. Bank, said: "Under these circumstances if such an institution is deemed essential to the fiscal operations of the Government, I submit to the wisdom of the Legislature whether a National one founded upon the *credit* of the Government and *its revenues. might not be devised*, which would avoid *all constitutional difficulties*' and at the same time secure all advantages to the Government and Country, that were expected to result from the present Bank." What General Jackson meant is shown by the adoption of the Independent Treasury system July 4, 1840,—composed of gold, silver and U. S. Treasury Notes made equal legal-tenders for public dues; the notes were made con-

vertible into U. S. Bonds. General Jackson considered the U. S. Bank, "destructive of the morals of the people, *the freedom of the press* and the purity of the elective franchise."

Q. What opinion did John C. Calhoun express, in favor of legal-tender U. S. notes against Bank Currency and in support of the Independent Treasury system?

A. At the special session of Congress, in 1837, September 19, Calhoun said: "No one can doubt that the Government credit is better than that of any Bank, more reliable, more safe. * * * Believing that there might be a sound and safe paper currency founded on the credit of the Government, exclusively, I was desirous, that those who are responsible and have power should have availed themselves of the opportunity."

On October 3d, he said: "We are told that there is no instance of a Government paper, that did not depreciate. In reply, I affirm that there is none, *assuming the form I propose*, that ever did depreciate. Whenever a paper *receivable in dues of Government*, had anything like a fair trial it has succeeded. * * *Bank paper is cheap; very cheap*, to those *who make it*; but *dear, very dear*, to those *who use it*, fully as much so as gold and silver. * * On the other hand, the credit of Government, while it would greatly facilitate its financial operations, would cost nothing or next to nothing, both to it and to the people, and of course would add nothing to the cost of production; which would give to every branch of industry * * as far as circulation might extend, great advantages both at home and abroad.

In support of the *Independent Treasury Bill*, March 23, 1838, he said: "I now undertake to affirm, positively * * that a paper issued by Government, with the simple promise to receive it in all dues, would * * *form a perfect paper circulation*; * * *that would be as steady and uniform in value as the metals themselves*." On July 4, 1840, this system was adopted for the use of the Federal Government.

Q. Was Benj. Franklin in favor of irredeemable legal-tender "Public Bills?"

A. In 1769, Benj. Franklin, before the British Board of Trade, in reply to their assertion that money should have an intrinsic value, said: "However fit a particular thing may be, for a particular use, whenever that thing is not to be had, or not to be had in sufficient quantity, it becomes necessary to use something else; the fitest that can be got in lieu of it. * * At this very time even the silver money in England is obliged to the legal-tender for a part of its value. * * It is the legal-tender, with the knowledge that it can *easily* be *repassed* for the *same value*, that makes three pence worth of silver pass for six pence. Gold and silver are not intrinsically of equal value with iron; a metal in itself capable of many more benefits to mankind." * * Benj. Franklin was defending the irredeemable full legal-tender paper money system of the *colony* of Pennsylvania, which never did and could not depreciate a farthing, from the time it was adopted in 1723, until prohibited by the British Parliament, as being opposed to British Bank Currency.

Q. What views did Thomas Jefferson express in opposition to Bank Currency and in favor of legal-tender U. S. Treasury Notes?

A. Thomas Jefferson said: "Bank Currency must be suppressed and the circulation *restored* to the" Federal Government, to which "it belongs." He was the first to advise the issue of irredeemable, legal-tender U. S. Treasury Notes in 1812, convertible into U. S. Bonds.

Q. Did Congress previous to 1861, issue a redeemable U. S. Treasury Note?

A. Congress never issued a redeemable U. S. Treasury Note until July, 1861.

Q. Was the Federal Government able to redeem, on demand, the U. S. Treasury Notes of July 1861, and February 12, 1862?

A. When the Banks failed in December, 1861, the demand notes could not be redeemed, and were depreciated to a level with suspended Bank paper, The Banks refused to take them, because they were not legal-tenders for private debts, due them, contracted for their worthless promissory notes, which were themselves evidences of debts due by Bankers, to the public.

Q. How was the value of the demand notes made par with gold coin in 1862?

A. The redemption of the demand notes in coin, was virtually prohibited February 25, 1862, and Congress on March 17, 1862, made them full equal legal-tenders with gold coin, which instantly gave them the same premium as gold coin, which proves conclusively, that a legal-tender Act makes money and gives to all equal legal-tenders par value, without any regard to the material of which they are made.

Q. Are Greenbacks promises to pay in any other circulating medium or money?

A. The U. S. Treasury Notes popularly called Greenbacks are not redeemable, or promises to pay in any other money; they were originally made payable by converting them into 5-20 bonds, which convertible contract was first repudiated by Congress in 1863, renewed under the Contraction Act of 1866, and again very properly prohibited by the Act of 1868, to prevent a further contraction of them.

Q. Can any man be a genuine Democrat or Republican, who opposes making silver and U, S. Treasury Notes equal legal-tenders with gold, or who opposes substituting them for National Bank Currency and who opposes the prohibition of Banks of Issue?

A. Democracy means the power of the people or the "Public Good." Republicanism, means a Democratic representative form of Government, in which the power is constantly returning to the people at short and stated intervals, wherein all power must be exercised for the "Public Good;" and as the substitution of full equal legal-tender money for Bank Currency and the prohibition of Banks of Issue would promote the "Public Good" and restore the freedom of the Press and crush the conflict between Republicanism or a representative Democracy and a moneyed Aristocracy, no man can be a reliable or trust-worthy Democrat or Republican, who opposes these measures; so indispensably necessary to establish correct monetary and financial systems.

Q. Has any power been delegated to Congress to exempt any class of citizens from taxation?

A. No constitutional power has been conferred on Congress to exempt any one from taxation.

Q. By what authority has Congress loaned to a special class over $350,000,000 of redeemable currency, at one per cent. per annum: which has enabled them to control the business of the country and bankrupt business men?

A. The loan by Congress of over $350,000,000 of National Bank Currency to a special class is an act of gross usurpation and fraud. No power to make and loan this currency to Bankers for their private use, has been delegated to Congress.

Q. What is the constitutional limit to money?

A. Money can be paid out of the Federal Treasury only in pursuance of law, and the law can only authorize the payment of constitutional and lawful demands on the Treasury.

Q. After the payment of the Federal debt, and the wants of the business community demand more legal-tender money, how can that want be supplied?

A After the payment of the public debt, more money can be put into circulation by suspending taxation, to a certain extent, and by paying a portion of the current expenses in full legal-tender money.

Q. As the high prerogative of making money has been delegated to the Federal Government, is there any necessity for its borrowing money or issuing interest bearing Bonds to be hawked about in European markets by a syndicate of Bankers, at great expense to the tax payers, and wealth producers of the country?

A. As the high and sole power of making money is in the Federal Government, there is no necessity of it borrowing money and imposing useless taxation, to pay useless interest.

Q. Is it not evident that the present Federal debt may be paid, without taxing the people to do so?

A. The Federal debt may be all paid off in a few months "in coin and its equivalent," without taxing the people to do so.

Q. Why was the contraction Act of April 12, 1866, adopted?

A. The Contraction Act of April 12, 1866, was passed to compel a return to the "specie basis" system or to Bank Currency, based on specie for redemption; and to prevent the payment of the public debt.

Q. As specie could be restored to circulation, by substituting full legal tender Greenbacks for Bank Currency, why did Congress pass the so called, resumption act?

A. The so called, resumption act was passed, to still further contract the Greenback money, and to deceive the people with the idea of again having gold and silver restored to circulation—whereas the effect of the act would be to lock up specie in the Bank Vaults and to perpetuate the public debt and the National Bank Currency.

Q. Is not a currency based on specie for redemption purposes the cause of money panics and commercial crashes?

A. Specie being limited in volume, any currency based on it for redemption must be limited by the basis—this compels business in so extensive a country to be carried on under a forced credit system; as the business man "who sells for time notes, or commercial paper, must purchase on time or go out of business," and as Bank Currency is necessarily a contracted and constantly contracting currency, business men are at the mercy of Bankers and Note-Shavers, and are in constant danger of being periodically ruined by money panics and commercial crashes, of which "specie basis" and Bank Currency are the causes.

Q. Would the payment of the public debt, and the substitution of full legal-tender Greenbacks, for Bank Currency and the prohibition of Banks of Issue, prevent money panics and commercial crashes?

A. By putting the Federal debt into a par circulating medium, and by prohibiting Banks of Issue, it would establish the system of selling and buying for cash, which would prevent money panics, and under such a system no man could fail in business, from the failure of others. The failures of business men would be few; and the country would "go on prospering and to prosper," and business capitalists and all wealth producers would increase in wealth more rapidly than dealers in currency or Speculative Capitalists, who never employ labor in wealth producing or risk a dollar in business, but purchase special legislation that they may grow rich out of the labor and industry of others.

Q. What was the purpose and effect of making gold coin and sixty millions of dollars of U. S. Treasury Notes the only full equal legal-tenders, on March 17, 1862?

A. Making sixty millions of dollars of U. S. Notes equal legal-tenders with coin, the Bankers who had taken them previous to March 17, 1862, at a depreciation, in payment of debts due them, were enabled to pay them into the Treasury the same as gold coin in payment of the Bonds payable in 1881 in lawful money of the U. S., which loan they had contracted to take in 1861. Moreover, a limited amount of full legal-tender money, made it command a premium, and by making the interest on the debt payable in coin, at a premium, it increased the interest, equal to the premium; and by making the debt payable in coin at a premium, it gave the creditor, as much more than he was entitled to, as there was premium on the coin. By this "cunningly devised" system of legislation, the few have grown rich and the many have been made poor.

Q. Are 23¼ grains of unalloyed or 25 8-10 grains of alloyed gold worth more than 100 cents or a dollar in the European markets?

A. In 1837 Congress fixed the price of 23¼ grains of unalloyed or 25 4-5 grains of alloyed gold at 100 cents or a dollar, and gold has greatly increased in quantity since 1849, which would have had a tendency to lower instead of increase its value; but as the demand for metallic money has increased as rapidly as the supply, grains of gold have not fallen in value and their real value is the same now as in 1837 or 1849; both in this country and in Europe.

Q. Why did Congress make gold coin command a premium and then in 1873 knowing that it commanded a premium of 12½ cents or ⅛ of a dollar, make 23¼ grains of unalloyed or 25 4-5 grains of alloyed gold, the unit of value for a dollar instead of 371¼ grains of unalloyed silver?

A. The 25 4-5 grains of alloyed gold were made to command a premium, and then made the unit of value to increase *the interest and principal* of the public debt ⅛ at the time the Act was passed; but contraction has stagnated the industries and the demand for gold coin has fallen off which has decreased the premium; greatly to the surprise of the conspirators who did not fully know how their various schemes would work.

Q. What was and is the effect of making duties on imports payable in coin which commands a premium?

A. The obvious effect of a premium on gold coin is not only to increase the duty paid by the consumer on imported goods; but it also increases the cost of living and of doing business to the extent of the premium. It inflates values as injuriously as a depreciated or a fictitious currency.

Q. Was this increase on the cost of imported goods, an advantage to American manufacturers?

A. Obviously it was not; unless American manufacturers were enabled to increase the price on their productions, beyond the premium on gold coin; and if they did, it was an imposition on the consumer, and an invasion of every principle of equal and exact justice so necessary to be maintained.

Q. Why has the cost of doing business and of living, so unnecessarily and rapidly increased in this country?

A. Bank Currency is inflated when it exceeds its basis of redemption. The Old State Bank system of currency was required by law to have one dollar of specie basis for every three pieces of paper, *denominated* a dollar. This made each *nominal* dollar, at best, worth only ⅓ of a dollar; consequently, articles worth a dollar of real money, would be charged at the rate

of $3 or the seller would suffer a loss when paid in such currency; and then when a suspicion arose that it had no basis, the price of commodities paid for in depreciated Bank paper, would increase accordingly. This is the secret of the rapid and unnecessarily increased cost of living and of doing business in this country, as Bank Currency increased. The more we have of Bank Currency, the more are values inflated. The National Bank Currency which has no Basis of redemption is a pure fiction, which inflates values to the full extent of that currency. Its purpose was to nearly double the money power of the Bondholders, who have been paid about Twenty Millions of dollars of subsidy annually out of the People's taxes, for taking a loan of that currency redeemable in Greenbacks. This coin—interest bond swindle has enriched a cunning and unscrupulous few, at the expense of the many. No people who will submit to such a fraudulent system of currency can long remain a free people.

Q. Do the advocates of legal-tender money, demand dollars which will uniformly obtain the same amount of intrinsic value in exchange for them?

A. Justice to debtors and creditors under contracts to pay and receive dollars, demands, that their quantity should be determined by a unit of value, which will give neither more nor less, than the unit of Federal money. To do this a unit of value must be adopted, which will *uniformly* give both *debtor* and *creditor*, a dollar, which will obtain *the same amount* of intrinsic value, in exchange for it. This is the demand of Legal-Tender Money advocates.

Q. Do full legal-tender dollars require redemption?

A. Full legal-tenders do not require redemption in any other circulating medium; because there is nothing superior to them. Their function is to pay Taxes, purchase commodities and pay balances or differences in exchanging commodities, and every time they perform their office they obtain the only kind of redemption which they require.

Q. Why do the enemies of a Democratic representative or Republican form of Government, oppose the system of full legal-tender money and contend for Bank Currency and Banks of Issue, and a Standing Army?

A. All Monarchies, and Aristocracies are bottomed on corruption and fraud, and can only be maintained by force. Banks of Issue, which control the business of a country, are the corner-stone and foundation of a priviledged class of persons; therefore in this conflict between Democracy and Aristocracy, and between an oppressed people and their oppressors, the enemies of Democracy and genuine Republicanism, support a redeemable Currency or Banks of Issue and a Standing Army.

Q. How did the Corporations in this Country obtain the unjust powers, which they exercise?

A. The unjust powers granted to Corporations, by law, were obtained by bribery and corruption. The National Banks obtained their powers, through the corrupt system of issuing Federal Bonds. with exemption from State and Municipal taxation, on which the holders are given 90 per cent. of their face value in National Bank Currency to speculate with. The Rail Roads, obtained their unjust powers by the use of money and complimentary passes, or free tickets on Railroads, which the public are made to pay for. There are many who can be influenced by a free ticket on a Railroad, who could not be bribed with money, to betray their own and the rights of the people; hence the people of Pennsylvania by over one hundred thousand majority prohibited by constitutional enactment the issue of free or complimentary tickets by Railroad Companies, which these corporations

violate with impunity, because the representatives of the people accept of them, although they are sworn to support a Constitution which prohibits the issue or acceptance of such tickets.

Q. Were the people cheated out of their choice of a President and Vice-President in 1876. because of any Constitutional defect in the Electoral system or mode of counting Electoral votes?

A. There is no defect in the Electoral system, or mode of counting the Electoral votes; the people demanded by their votes a change of men and measures; the Bondholders and Bankers of both parties, in order to prevent any change in the monetary and financial policy, determined that the will of the people, who voted for a change, should be defeated, as far as it was in their power to accomplish it. The opponents of the Democratic party were *early* assured, that the Democracy *would submit to be counted out.* Beware of any man professing Democracy who favors any change in the mode of creating Electors or of counting the Electoral votes. The defeat of the will of the people did not arise from any defect in the Federal system—properly understood and carried out—and should the acting President go for the "people's money," against Bank Currency the Conspirators will suffer an unexpected defeat, and the people will rejoice. Mr President act well your part in favor of the People's Money, "therein all the honor lies."

Q. In case of the death of the President or Vice President elect, *before inauguration*, how is the vacancy supplied?

A. The electors serve from the time of their election until the ensuing 4th of March, and in case of the death of a President or Vice President elect, *before inauguration*, it is the duty of the electors to fill such vacancy.

Q. By the statement of the Philadelphia Banks published August 14 1877, on a circulation of $10,448,640, they have loaned $61,142,285, how are they enabled to do this?

A. The Bankers in their statement, report $41,254,452 of deposits. which they have loaned out. The statement shows a loan not only of all the circulation which they own, and all of the money deposited for safe keeping, but $10,000,000 more. As banks frequently require one-half of the amount discounted to be checked over to the bank by the borrower, they are enabled to loan the same currency again, or in other words to draw more interest, by re-loaning the same currency; and in this way they get double. interest on the currency which the borrower gets the use of.

Q. With only about $600,000,000 of paper circulating medium at this time; $350,000,000 of which are constantly required for reserves; how can the Banks pay their depositors on demand?

A. They cannot pay in money or currency; they are compelled at present to give an interest bearing obligation to depositors for want of legal-tender money or Bank Currency, yet, a subsidised press is constantly asserting that the banks have plenty of money and currency in their vaults—which is not true.

Q. Can Bankers pay the amount due to depositors without an expansion of legal-tender money.

A. The National Banks cannot pay the amount due by them to depositors without an expansion of or more legal-tender money; and by resisting expansion, they will cause the failure of every Bank in the country. and the ruin of depositors. Nothing can save the country from anarchy but an adoption by Congress of the policy of paying off and buying up the public debt, and the abolishment of Banks of issue, as *costly*, *useless* and *dangerous* institutions; which will revive and make active the wealth producing industries.

Q. Can any amount of contraction, ever make a partial, equal to a full legal-tender?

A. If there was but one dollar of Greenback money in circulation, it would not destroy the premium on gold coin, as long as the latter is the only money receivable for duties on imports. The law creates and regulates the value of money, and when Greenbacks are made to perform the same functions as gold coin. they will be of equal value—as money; and not until then. No amount of contraction can ever make a partial legal-tender. equal in value to a full legal-tender dollar. The Greenback is worth 100 cents, but gold commands a fluctuating premium, according to supply and demand.

PROOF OF THE CAUSE OF MONEY PANICS.

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Expansion and Contraction of the Circulating medium, and the results from 1811 to 1873.

Bank Currency in 1811	$ 28,000.000
" " " 1816	68,000,000
Contraction from 1816 to 1820, (commercial crash)	23,000,000
Bank Currency in 1820 (Banks suspended)	45,000,000
" " " 1837	141,000,000
Contraction from 1837 to 1843 (commercial crash)	83,000,000
Bank Currency, in 1843 (Banks suspended)	58,000,000
" " " 1854	204,000,000
Contraction from 1854 to 1858 (commercial crash)	49,000,000
Bank Currency, in 1858,	155,000,000
" " " 1860	207,000,000
Contraction from 1860 to 1862 (commercial crash)	23,000,000
Bank Currency, in 1862 (Banks suspended)	184,000.000
" " " 1863	202,000,000

Amount of Money, Currency and Circulating Medium, September 1st, 1865, (exclusive of coin.)

U. S. Treasury Notes, legal-tenders,	$ 1,540,569,482
Certificates of Loan, payable on ten days notice,	107,148,713
Certificates of Indebtedness,	85,093,000
	$ 1,732,811,195
National Bank Currency,	185,000,000
State Bank Currency,	78,867,575
Total September 1, 1865, (exclusive of coin)	$ 1,996,678,770
Circulating Medium, December 1, 1873,	765,679,685
Contraction from 1865 to 1873, (commercial crash and Banks failed to pay their Notes in Greenbacks.)	$ 1,230,999,085

Continuous Bank suspension from December, 1861 to this time.